

October 26, 2009

WASHINGTON, DC - U.S. Rep. Michael Arcuri (NY-24) joined President Obama in announcing a number of new small business lending initiatives that would allow entrepreneurs access to more capital from smaller lenders, and provide higher Small Business Administration (SBA) loan limits.

"Increasing lending to small businesses is critical as we work to ensure that they can continue to grow their businesses and prosper," **Arcuri said**. "I applaud the President for initiating these lending opportunities to open up the credit market to more qualified and successful businesses moving forward."

President Obama announced on Thursday, October 22nd, 2009 that federal agencies will be offering small businesses additional opportunities through new lower-cost capital sources provided to community lending institutions. Additionally, the Administration has called for legislation that will increase loan sizes for three current SBA loan programs. The President's announcement included the following:

- Through a new "Financial Stability Plan," the Administration will support lending by small banks and Community Development Financial Institutions (CDFIs). This new initiative will support small business lending by providing lower-cost capital to small banks that present approved small business lending plans, and to CDFIs that lend to small businesses in the hardest-hit rural and urban areas. Community lenders will receive this capital from the Troubled Assets Relief Program (TARP) at rates lower than what the nation's biggest banks have received in the past year. Eligible lenders will be required to explain how the capital will lead to increased small business lending.

- To get small businesses more access to the credit they need to grow and thrive, the Administration will seek legislation to increase the maximum size of three types of SBA loans. Increasing the maximum loan size of 7(a) loans from \$2 million to \$5 million will help small businesses invest in machinery, equipment, land, and buildings. Increasing the maximum loan size of 504 loans up to \$5.5 million will help small businesses grow and expand their payrolls by supporting real estate purchases. And increasing the maximum loan size of SBA microloans from \$35,000 to \$50,000 will give a boost to start-ups and other smaller businesses.

- The President will call on Treasury Secretary Geithner and SBA Administrator Karen Mills to convene a conference of regulators, Congressional leaders, and small-business owners to establish further steps the government can take to help small businesses access the credit that is so vital to their growth, and to economic prosperity in this country.

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